

# NEW Directions

February 27, 2007

## LHINS

### play vital role in the new world of health care in Ontario

*Ontario's 14 Local Health Integration Networks (LHINs) are expected to take on their full role of planning, funding and integrating local health services in just over a month. Much is happening both within the LHINs and the ministry to make the transition a reality.*

**A**s the ministry prepares for its new mandate of working in partnership with the LHINs, many of the ministry's business processes and functions have been reviewed and redefined.

LHINs will be responsible for developing and funding an integrated health system locally and will be the first point of contact for health service providers including hospitals, long-term care homes, community health centres, Community Care Access Centres, community support service agencies, and mental health and addictions agencies. As steward, the ministry will focus on long-term planning and direction of the system as a whole.

In the past, health service providers would work directly with the ministry to resolve issues and challenges. Under the new structure, LHINs will work with health service providers at the community level to find local solutions. This sharing of expertise will promote innovation in the broader health care system.

The ministry will continue to set standards and accountabilities, but the day-to-day decisions on the delivery of health care will be made and carried out locally.

Roles and responsibilities between the ministry and each of the LHINs will be clearly set out in a new Memorandum of Understanding and accountability agreements.

#### Getting ready for the transition

To ensure a smooth transition to LHINs, Deputy Minister Ron Sapsford set up the LHIN Coordination Project, led by Assistant Deputy Minister Gail Paech. This group has worked since late last year to coordinate the many ministry activities related to LHINs and identify where we need to concentrate the ministry's efforts. An important part of their work is to see that health service providers are kept informed of what's happening, what operations will change and how changes will affect them.

The LHIN Coordination Project has brought together staff across the ministry who are working on "mission critical" activities. This will ensure that the LHINs are ready to assume authority on April 1, 2007 and will support the efforts to make LHINs the point of contact for local health service providers.

The mission critical projects include the Orders in Council which allow the key remaining sections of the Local Health System Integration Act, 2006 to be implemented. These sections set out the obligation for the ministry and LHINs to have an accountability agreement, give LHINs the power to fund health service providers, and give the ministry authority to assign its accountability agreements with health service to the LHINs. Several of the other projects focus on information management, financial management and accounting processes.

...continued on page 2

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A readiness assessment is also underway in the ministry and in each of the 14 LHINs, to identify areas where additional work is required and where resources should be focused in order to reduce risks and ensure a smooth transition. The readiness assessment focuses on capacity in the areas of authority, knowledge, business processes, and resources.

A full-day working session for the LHINs was held in early February in Toronto, to provide an opportunity for LHIN and ministry representatives to discuss the transfer of authorities and accountabilities in greater detail.

## Who takes care of what?

Shifting responsibilities in a \$36 billion operation like the Ontario health care system is complex. A significant amount of time has been invested in determining the question of who will take care of what.

The ministry and the LHINs have been working together on the ministry/LHIN accountability agreements. This significant job has been led by Tracey Mill's LHIN Project Team.

This team has also been leading the exercise to transfer the nearly 2,000 service agreements between the ministry and health service providers to the LHINs. When this transfer happens, which is expected on April 1, the LHINs will assume responsibility for managing the agreements with those health service providers and assume the former roles and obligations of the ministry.

To facilitate the assignment of agreements, the ministry has reviewed all its programs and services and held extensive discussions with LHINs to determine which programs will move to them.

For a more complete list of assignment of agreements, see LHIN Bulletin #27 at [http://www.health.gov.on.ca/transformation/thin/thin\\_bul.html](http://www.health.gov.on.ca/transformation/thin/thin_bul.html).

The ministry has developed a draft accountability regulation, which has been posted for public consultation. The regulation would phase in the requirement for LHINs to negotiate service accountability agreements with health service providers, in each sector over a three year period.

Until these new agreements are negotiated, the current agreements will remain in force. For example, the ministry is currently in the midst of negotiating accountability agreements for 2007/08 with public hospitals. The LHINs will negotiate with public hospitals next year once they assume their funding and accountability authorities.

According to the proposed timetable in the regulation, LHINs would begin to negotiate

# LHINs

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Health Service Providers	Negotiation year for LHINs
Public and Private Hospitals	2007/08
Community Health Centres	2008/09
Long-Term Care Homes	2009/10
Mental Health and Addiction Agencies	2008/09
Community Support Service Agencies	2008/09
Community Health Centres	2008/09

agreements with health service providers, as shown in the table above.

## New working relationships

On April 1, LHINs are expected to assume authority and management of approximately \$20 billion of health care funding. This authority is based on a clear set of accountability, financial and reporting policies that are expected to be part of the ministry/LHIN accountability agreement.

A Financial Management Framework has been developed with the LHINs. Several of the framework's elements include: multi-year funding, annual balanced budget requirements and rules for use of in-year and end-of-year surpluses.

Starting in April, the LHINs will be working with the ministry's new Financial Management Branch (FMB), under Director Pier Falotico, to direct payments to health service providers. Although FMB will process payments, it will clearly be the LHINs' responsibility to determine and direct where the funds need to go. FMB will also provide the LHINs with controllership and reporting support.

## Sharing what we know

Ensuring the success of the LHINs means passing on the ministry's knowledge to the LHINs — sharing what we do, how we do things and how to work together. Identifying and coordinating this knowledge transfer is one of the key jobs of the LHIN Coordination Project.

The ministry is working hard to ensure that important processes and functions are

preserved, records and information transfer is accomplished, and that health service providers, stakeholders and the public know the points of contact as of April 1. The transfer of knowledge to the LHINs will begin in March and continue throughout the spring.

## What happens after April 1?

LHINs are changing the landscape; their work represents whole new way of doing things in a new health care system. The ministry's Regional Offices will wind down operations for the public on March 31, but support will still be available for the LHINs.

The LHIN Coordination Project will continue to provide support into the spring, as the newly created LHIN Liaison Branch reaches full capacity. The branch will be the main point of contact between the ministry and the LHINs in the future and will build the new processes and structures to support interaction within the new system.

Led by Director Carrie Hayward, the branch will develop, negotiate and manage relationships and accountability agreements with the LHINs. It will be a key link between the ministry and the LHINs. Over the next few months the branch will assume more of the responsibilities of the LHIN Project Team. Located in Toronto, the branch will also provide assistance to LHINs as required in developing agreements with their health service providers. ■

To learn more about the transition as LHINs take on their role of local health system managers, read the LHIN Bulletins at [http://www.health.gov.on.ca/transformation/thin/thin\\_bul.html](http://www.health.gov.on.ca/transformation/thin/thin_bul.html).